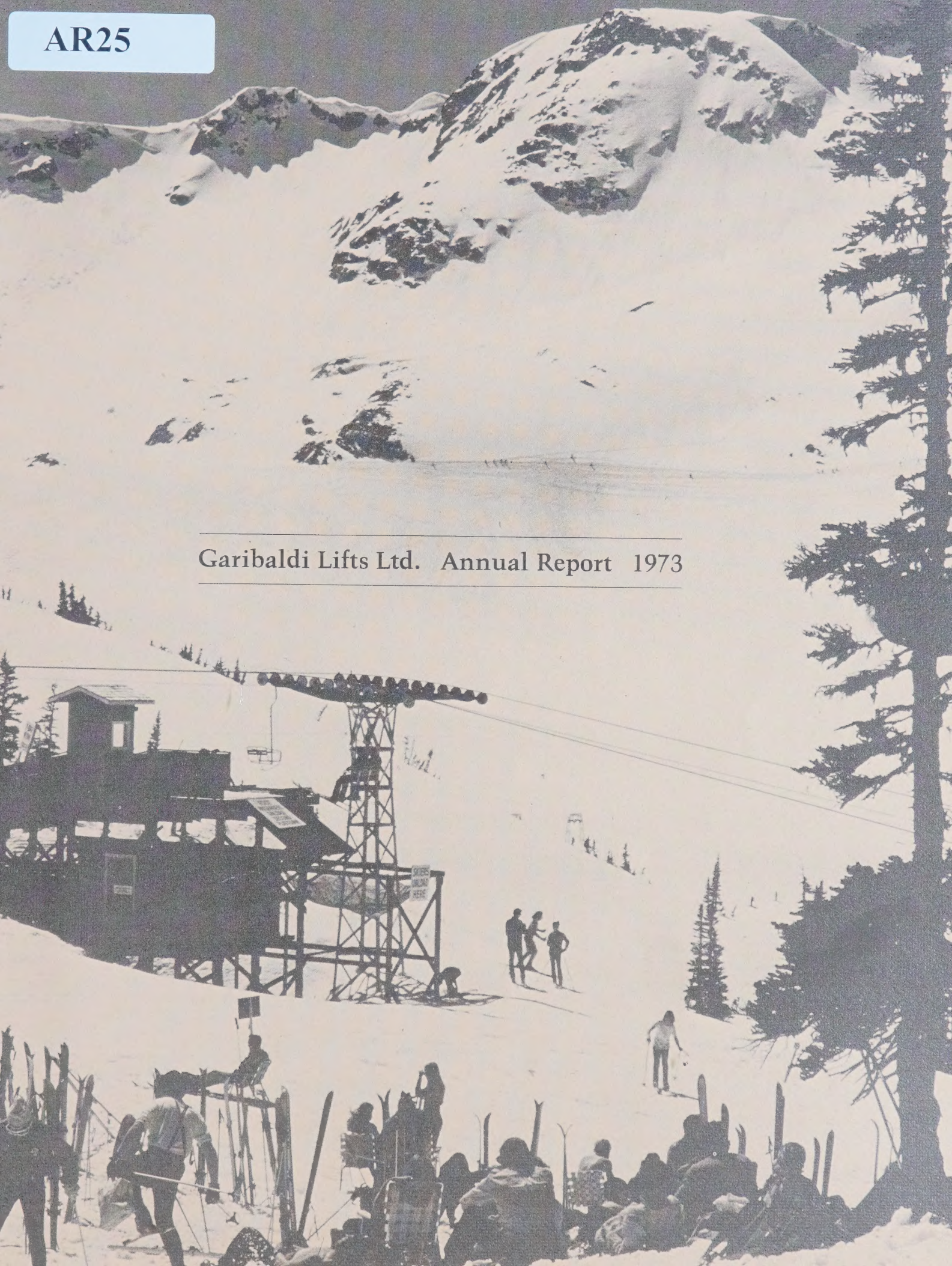

Garibaldi Lifts Ltd. Annual Report 1973





nder review is our fiscal year, January 1 to December 31, 1973. In our report covering 1972 fiscal year we anticipated the results of our expansion program and made the following statements: "In the summer of 1972, the addition to the access lift system was made. Uphill transportation capacity was dramatically expanded and skiers in greatly increased numbers were accommodated during December 1972. With no waiting and no lift lines skiers are able to get on the mountain at once. Therefore, many skiers who avoided Whistler in the past are now frequent visitors." And again, in our Interim Report for the first six months of the fiscal year under review, ended June 30, 1973: "The response of the skiing public as reflected in the statement was positive and immediate."

Those quotations sum up our anticipation of the expansion program and our expectation of the benefits and the immediate impact of the new lifts. Fiscal 1973 demonstrates that our forecast was well founded. The increase in skiers carried, 1973 over 1972, is almost 50%. Increase in revenue is due solely to increase in sales as there has been no increase in lift rates for several seasons. However, such an exceptional increase in earnings will not recur again because it results from major facility expansion. Future increases will reflect the normal growth pattern in our industry. During the winter months of the fiscal year, January to May, 1973, and again from November to December, 1973, we were aided by fine weather and extremely good snow conditions. The 1973 summer program called for a continuation of our program of grooming ski runs and trails, particularly on the lower part of the mountain. This policy of summer ground grooming is making it possible for us to use ever more sophisticated snow grooming equipment in the winter, to the increased satisfaction of the skiing public. In addition to our grooming program, expansion continued on trails and runs. "Upper and Lower Franz's" was

more than doubled in width by extensive logging and a program of further grooming is planned for this area.

The "Roundhouse" kitchen and cafeteria have been electrified and re-built, and seating capacity has been increased 30% by developing the lower lounge area. All this has resulted in better service and greatly improved efficiency. Not so apparent is the laying of a three-phase power cable from Mid-Whistler to the Roundhouse, a major engineering feat in that rugged terrain. This will greatly improve the logistics of our operation on top of the mountain because it will mean the eventual operation of lifts by electric rather than diesel power. The Capital expenditure during the year amounted to \$340,577.

Our management and supervisory staff at Whistler Mountain, most of whom have been with us since the early years of the operation, comprise a very important asset. As a result of their efforts, the company operates with a high degree of efficiency. The lift system is well maintained and operated, staff morale is high and is motivated to maintain good staff-to-customer relations. As of December 31, 1973, there were 85 employees on the Company's Pay Roll. On behalf of the Board of Directors, I would like to take this opportunity to express our appreciation of their efforts to management, supervisors and staff.

Financial:

Comparative revenues from operations show an increase from \$957,279 in 1971; \$993,702 in 1972; \$1,458,181 in 1973. As might be expected, in keeping with general increases across the board and additional costs incurred because of our expanded operations, operating costs increased accordingly. Operating costs before depreciation and taxes increased from \$629,968 in 1971 to \$685,458 in 1972, and to \$876,968 in 1973. This resulted in an increase of the net income for the fiscal year from \$88,844 in 1971, \$85,318 in 1972 to \$187,871 in 1973.

On behalf of the Board of Directors
FRANZ M. WILHELMSSEN
President

<i>Board of Directors:</i>	C. HÉBERT,	Montreal
	B. M. HOFFMEISTER,	Vancouver
	I. J. KILPATRICK,	Montreal
	H. McLENNAN,	Vancouver
	A. C. MITTERTREINER,	Calgary
	C. G. PENNEY,	Montreal
	P. N. THOMSON,	Montreal
	C. J. WHITE,	Banff
	F. M. WILHELMSSEN,	Vancouver
	F. C. WILKINSON,	Vancouver
	C. N. WOODWARD,	Vancouver
<i>Officers:</i>	F. M. WILHELMSSEN,	<i>President</i>
	A. C. MITTERTREINER,	<i>Treasurer</i>
	M. G. KING,	<i>Secretary</i>
<i>Transfer Agent — Registrar:</i>	MONTREAL TRUST COMPANY,	Vancouver
<i>Bankers:</i>	THE ROYAL BANK OF CANADA,	Vancouver
<i>Solicitors:</i>	BOYD, KING & WOOSTER,	Vancouver
<i>Auditors:</i>	CAMPBELL, SHARP, NASH & FIELD,	Vancouver

GARIBALDI LIFTS LTD.



OUR NEW ADDRESS IS:

325 HOWE STREET
SUITE 602
VANCOUVER, B.C.
V6C 1Z7
TELEPHONE: 684-4471

ASSETS

	1973	1972
CURRENT ASSETS:		
Cash	\$ 61,225	\$ 139,697
Accounts receivable	12,900	5,714
Prepaid expenses	<u>16,189</u>	<u>15,787</u>
	90,314	161,198
INVESTMENT — Whistler Mountain Water Works Ltd. — at cost	10,403	10,403
PROPERTY, PLANT AND EQUIPMENT — at cost:		
Transportation system, buildings and equipment	3,549,246	
Less: accumulated depreciation and amortization	<u>992,442</u>	
	2,556,804	
Land	<u>39,029</u>	
	<u>2,595,833</u>	<u>2,459,262</u>
	<u>\$2,696,550</u>	<u>\$2,630,863</u>

February 1, 1974

Auditors' Statement

Campbell, Sharp, Nash & Field
Chartered Accountants
900 West Hastings Street,
Vancouver, B.C.

To the Members, Garibaldi Lifts Ltd., Vancouver, B.C.

We have examined the balance sheet of Garibaldi Lifts Ltd., as at December 31, 1973, and the retained earnings, income and source and application of working capital statements for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

LIABILITIES

	1973	1972
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 175,930	\$ 244,642
Due to affiliate	18,251	15,567
Deferred revenue	274,113	181,478
Term indebtedness — current portion		110,000
Income taxes payable	<u>10,458</u>	<u>110,000</u>
	478,752	551,687
LONG TERM DEBTS:		
Note payable — 9% due 1974 less current portion		10,000
Bank loan — prime plus 2% due May 1, 1977 less current portion (Note 1)	180,000	400,000
DEFERRED INCOME TAXES (Note 2)	409,415	228,664
SHAREHOLDERS' EQUITY		
SHARE CAPITAL: (Note 3)		
Authorized		
10,000 class "A" shares of \$100 par value		
15,000 common shares of no par value		
Issued		
6,400 class "A" shares of \$100 par value	640,000	
6,713 common shares of no par value	<u>631,300</u>	
	1,271,300	
RETAINED EARNINGS	<u>357,083</u>	
	<u>1,628,383</u>	<u>1,440,512</u>
	<u>\$2,696,550</u>	<u>\$2,630,863</u>

Approved on behalf of the Board

F. M. Wilhelmsen, Director

A. C. Mittertreiner, Director

NOTE: The accompanying notes form an integral part of these financial statements.

In our opinion these statements present fairly the financial position of the company as at December 31, 1973, and the results of its operations and the source and application of its working capital for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Campbell, Sharp, Nash & Field
Chartered Accountants

RETAINED EARNINGS STATEMENT *for the year ended December 31, 1973*

	1973	1972
BALANCE — beginning of year	\$ 169,212	\$ 83,894
<i>Add:</i> net income for the year	<u>187,871</u>	<u>85,318</u>
BALANCE — end of year	<u>\$ 357,083</u>	<u>\$ 169,212</u>

INCOME STATEMENT *for the year ended December 31, 1973*

	1973	1972
REVENUE FROM OPERATIONS	<u>\$1,458,131</u>	<u>\$ 993,702</u>
<i>Deduct:</i> OPERATING AND ADMINISTRATIVE EXPENSES:		
Administration	57,740	36,010
Advertising and promotion	35,997	31,635
Equipment maintenance and operation	240,391	189,800
Interest — current	5,985	10,087
— long term debt	35,726	9,560
Legal and audit	14,628	11,315
Salaries, wages and employee benefits	396,251	317,791
Taxes and insurance	58,268	54,680
Utilities	31,597	24,580
Depreciation and amortization	<u>202,468</u>	<u>147,599</u>
	<u>1,079,051</u>	<u>833,057</u>
INCOME BEFORE TAXES	<u>379,080</u>	<u>160,645</u>
<i>Deduct:</i> Income taxes: <i>(Note 2)</i>		
Deferred	180,751	75,327
Current	<u>10,458</u>	<u></u>
	<u>191,209</u>	<u>75,327</u>
NET INCOME FOR THE YEAR	<u>\$ 187,871</u>	<u>\$ 85,318</u>

STATEMENT OF SOURCE AND APPLICATION OF WORKING CAPITAL *for the year ended December 31, 1973*

	1973	1972
SOURCE OF WORKING CAPITAL:		
Net income before non-cash charges	\$572,628	\$309,013
Proceeds from sale of assets		2,088
Proceeds from long-term loan		<u>400,000</u>
	<u>572,628</u>	<u>711,101</u>
APPLICATION OF WORKING CAPITAL:		
Addition to property, plant and equipment		
Transportation system and property improvements	7,657	799,100
Buildings	113,887	2,774
Equipment	219,033	20,763
Reduction of term indebtedness	<u>230,000</u>	<u>10,000</u>
	<u>570,577</u>	<u>832,637</u>
INCREASE (DECREASE) IN WORKING CAPITAL	2,051	(121,536)
WORKING CAPITAL DEFICIENCY — at beginning of year	<u>390,489</u>	<u>268,953</u>
WORKING CAPITAL DEFICIENCY — at end of year	<u>\$388,438</u>	<u>\$390,489</u>

Notes to the Financial Statements

as at December 31, 1973

Note 1: The term bank loan is secured by a demand debenture in the amount of \$1,000,000 having a fixed and floating charge on all the real, moveable and immoveable property and rights of the company.

Note 2: The tax allocation basis is utilized for accounting for income taxes. Capital cost claimed in excess of book depreciation has resulted in current year's deferred tax of \$180,751 being recorded (1972 — \$75,327).

Note 3: The class "A", non-voting and non-cumulative shares have special rights and restrictions as set forth in the Articles of Association of The Company. Redeemable at a minimum price of \$105 per share, they are preferred as to dividends up to \$5 per share. In the event that dividends are not paid for a period of five consecutive years the class "A" shares shall have voting rights.

Note 4: The remuneration of the five highest paid employees, including Directors and Officers amounted to \$88,700 (1972 — \$68,000).

Note 5: A dividend of \$32,000 was declared in January 1974, on the class "A" shares, payable to shareholders of record of January 31, 1974.



Garibaldi Lifts Ltd. 602 - 325 Howe Street, Vancouver, B.C.